



All allegations of fraud will be pursued

We take fraud very seriously at the Department of Social and Health Services, and we all share responsibility for reporting fraud.

Serving as good stewards of taxpayer dollars is a basic foundation of the work we do. We want to ensure that eligible families in need – including children, the elderly and people with disabilities -- get necessary benefits and assistance.

And we work to be accurate and accountable so that the right people get the right benefits, at the right time, the first time they apply. And that means making sure limited resources are used wisely and appropriately.

We always encourage DSHS employees to share their concerns about fraud, waste and inefficiencies across the Department. We encourage you to report to your supervisor your comments, questions and suggestions and to post them on BlogCentral.

The Department has a strong, multi-faceted approach to identify potential fraud and limit inappropriate use of the benefits we issue.

We depend on our staff, partners and the public in general to help in this endeavor. There is a "Fraud Hotline" where people can report suspected misuse of benefits: 1-800-562-6906. And you can do it anonymously if you prefer.

The DSHS web site <http://www.dshs.wa.gov/Fraud/> provides the Fraud Hotline, instructions on reporting fraud and complaint forms, so that anyone who suspects misuse of benefits can easily report it to the Department.

When reporting the Department needs names, phone numbers and other identifying information regarding people who may be illegally using benefits. We cannot act on anecdotal information that has no factual foundation on which to base an investigation.

DSHS uses many pathways to prevent and stop fraud

While Washington is looked to nationally for our strong fraud and abuse and funds recovery programs, the state is faced with an environment of diminishing resources and tough decisions need to be made. So we want to make sure there is a clear understanding of how we provide stewardship of public resources.



- In Fiscal Year 2009, the state's Medicaid fraud, waste and abuse detection and prevention efforts:
 - Recovered \$20.6 million through provider audit activities
 - Saved \$381 million by identifying third-party insurance responsible for medical bills
 - Recovered \$48.7 million in client/recipient overpayment and fraud
 - Washington earned nearly a nearly \$3 million bonus from the federal government for its high accuracy rate in processing food stamp benefits for Washington families during the 2009 Fiscal Year. The U.S. Department of Agriculture ranked Washington sixth in the nation, with an error rate of only 1.81 percent.
- Actions to prevent fraud and abuse in the Working Connections Child Care program:
 - Three types of audits are conducted on a regular basis for the WCCC program:
 - Monthly quality assurance audits
 - One percent caseload audits conducted by district and WCCC staff in the field
 - Improper Payment Information Act audits
 - Negative findings are referred for corrective action
 - CSD Headquarters and Quality Assurance track audit findings to identify trends and address training or program issues.
 - The Payment Review Program works with Ingenix to run algorithms on the childcare caseload and complete reviews. These algorithms examine:
 - Different billing situations
 - The number of units that a child care provider billed
 - Whether the appropriate rate was paid based on the child's age
 - Whether there is any duplicate payment which exceeds the amount allowed
 - Any variance from accepted values results in an overpayment being generated for the vendor.
- Fraud detection:
 - The Department of Social and Health Services Office of Fraud and Accountability (OFA) is responsible for investigating allegations of fraud by applicants and recipients of public assistance programs, and for investigating allegations of fraud by vendors of the department. OFA partners with the Economic Services Administration (ESA) Community Services Division (CSD) to investigate current eligibility for TANF, Disability Lifeline, Basic Food, Medical, and Working Connections Childcare benefits. During the last fiscal year, the cost-avoidance associated with the Fraud Early Detection (FRED) Program was \$24.2M. During the same period, the OFA Overpayment Unit completed overpayments



totaling \$1.8M; and the Criminal Investigations Program referred 98 cases to state and federal prosecutors.

- Actions to prevent benefits abuse or neglect:
 - The DSHS web site <http://www.dshs.wa.gov/Fraud/> provides the Fraud Hotline, instructions on reporting fraud and complaint forms so that anyone who suspects misuse of benefits can easily report it to the Department.
 - When the Department receives notice that a client has misused their benefit, the client is notified in writing that his or her actions could result in legal proceedings, loss of cash benefits, or assignment of a protective payee to manage the client's cash assistance.
 - Contract language with the EBT vendor allows us to require the vendor to manually disable a specific ATM should we choose to do so.
 - To date, gambling establishments have voluntarily blocked EBT card use at 82 percent of ATM machines on their premises. All but one tribe so far has voluntarily blocked EBT card use at ATMs in their casinos.